

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE SENATE BILL 5596

Chapter 304, Laws of 2008

(partial veto)

60th Legislature
2008 Regular Session

CHIROPRACTIC SERVICES--FAIR PAYMENT

EFFECTIVE DATE: 06/12/08

Passed by the Senate March 12, 2008
YEAS 46 NAYS 3

BRAD OWEN

President of the Senate

Passed by the House March 12, 2008
YEAS 81 NAYS 16

FRANK CHOPP

Speaker of the House of Representatives

Approved April 1, 2008, 3:30 p.m., with
the exception of section 3 which is
vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of
the Senate of the State of
Washington, do hereby certify that
the attached is **SECOND SUBSTITUTE
SENATE BILL 5596** as passed by the
Senate and the House of
Representatives on the dates
hereon set forth.

THOMAS HOEMANN

Secretary

FILED

April 2, 2008

**Secretary of State
State of Washington**

SECOND SUBSTITUTE SENATE BILL 5596

AS AMENDED BY THE HOUSE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By Senate Ways & Means (originally sponsored by Senators Franklin, Benton, Kline, Poulsen, Keiser, and Roach)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to fair payment for chiropractic services; amending
2 RCW 41.05.017; adding new sections to chapter 48.43 RCW; and providing
3 an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.43 RCW
6 to read as follows:

7 (1)(a) A health carrier may not pay a chiropractor less for a
8 service or procedure identified under a particular physical medicine
9 and rehabilitation code or evaluation and management code, as listed in
10 a nationally recognized services and procedures code book such as the
11 American medical association current procedural terminology code book,
12 than it pays any other type of provider licensed under Title 18 RCW for
13 a service or procedure under the same code, except as provided in (b)
14 of this subsection. A carrier may not circumvent this requirement by
15 creating a chiropractor-specific code not listed in the nationally
16 recognized code book otherwise used by the carrier for provider
17 payment.

18 (b) This section does not affect a health carrier's:

1 (i) Implementation of a health care quality improvement program to
2 promote cost-effective and clinically efficacious health care services,
3 including but not limited to pay-for-performance payment methodologies
4 and other programs fairly applied to all health care providers licensed
5 under Title 18 RCW that are designed to promote evidence-based and
6 research-based practices;

7 (ii) Health care provider contracting to comply with the network
8 adequacy standards;

9 (iii) Authority to pay in-network providers differently than out-
10 of-network providers; and

11 (iv) Authority to pay a chiropractor less than another provider for
12 procedures or services under the same code based upon geographic
13 differences in the cost of maintaining a practice.

14 (c) This section does not, and may not be construed to:

15 (i) Require the payment of provider billings that do not meet the
16 definition of a clean claim as set forth in rules adopted by the
17 commissioner;

18 (ii) Require any health plan to include coverage of any condition;
19 or

20 (iii) Expand the scope of practice for any health care provider.

21 (2) This section applies only to payments made on or after January
22 1, 2009.

23 **Sec. 2.** RCW 41.05.017 and 2007 c 502 s 2 are each amended to read
24 as follows:

25 Each health plan that provides medical insurance offered under this
26 chapter, including plans created by insuring entities, plans not
27 subject to the provisions of Title 48 RCW, and plans created under RCW
28 41.05.140, are subject to the provisions of RCW 48.43.500, 70.02.045,
29 48.43.505 through 48.43.535, 43.70.235, 48.43.545, 48.43.550,
30 70.02.110, 70.02.900, section 1 of this act, and 48.43.083.

31 ***NEW SECTION. Sec. 3.** *A new section is added to chapter 48.43 RCW*
32 *to read as follows:*

33 (1) *On or after January 1, 2010, the commissioner shall contract*
34 *for an evaluation of the impact of section 1 of this act on the*
35 *utilization and cost of health care services associated with physical*
36 *medicine and rehabilitation payment or billing codes and evaluation and*

1 management payment or billing codes, and on the total cost of episodes
2 of care for treatment associated with the use of these payment or
3 billing codes.

4 (2) The commissioner shall require carriers to provide to the
5 contractor such data as the contractor determines is necessary to
6 complete the evaluation under subsection (1) of this section. Data may
7 include, but need not be limited to, the following:

8 (a) Data on the utilization of physical medicine and rehabilitation
9 services and evaluation and management services associated with payment
10 or billing codes for those services;

11 (b) Data related to changes in the distribution or mix of health
12 care providers providing services under physical medicine and
13 rehabilitation payment or billing codes and evaluation and management
14 payment or billing codes;

15 (c) Data related to trends in carrier expenditures for services
16 associated with physical medicine and rehabilitation payment or billing
17 codes and evaluation and management payment or billing codes; and

18 (d) Data related to trends in carrier expenditures for the total
19 cost of health plan enrollee care for treatment of the presenting
20 health problems associated with the use of physical medicine and
21 rehabilitation payment or billing codes and evaluation and management
22 payment or billing codes.

23 (3) Data, information, and documents provided by the carrier
24 pursuant to this section are exempt from public inspection and copying
25 under chapter 42.56 RCW.

26 (4) The commissioner shall submit the evaluation required in
27 subsection (1) of this section to the appropriate committees of the
28 senate and house of representatives by January 1, 2012.

**Sec. 3 was vetoed. See message at end of chapter.*

29 NEW SECTION. **Sec. 4.** This act expires June 30, 2013.

Passed by the Senate March 12, 2008.

Passed by the House March 12, 2008.

Approved by the Governor April 1, 2008, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State April 2, 2008.

Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Section 3, Second
Substitute Senate Bill 5596 entitled:

"AN ACT Relating to fair payment for chiropractic services."

This bill provides that a health insurance carrier may not pay a
chiropractor less for a given service or procedure than it pays any
other provider for that service or procedure.

Section 3 directs the Insurance Commissioner after January 1, 2010 to contract for an evaluation of the impact of Section 1 on the utilization and cost of health care services, and requires carriers to provide any data necessary to complete the evaluation. The evaluation is due to the Legislature by January, 2012. Since it was not otherwise funded, the study will be paid for through the administrative assessment levied on carriers by the Office of the Insurance Commissioner. This is a significant administrative burden on carriers with little benefit.

For these reasons, I have vetoed Section 3 of Second Substitute Senate Bill 5596.

With the exception of Section 3, Second Substitute Senate Bill 5596 is approved."